



PREPROPOSAL STATEMENT OF INQUIRY

(RCW 34.05.310)

CR-101 (7/22/01)

Do **NOT** use for expedited rule making

Agency: Department of Labor and Industries

Subject of possible rule making:

Chapter 296-17-WAC **General Reporting Rules, Classifications, Audit and Recordkeeping, Rates and Rating System For Washington Workers' Compensation Insurance.**

(a) Statutes authorizing the agency to adopt rules on this subject:

RCW 51.16.035, 51.04.020(1) and 51.18.010

(b) Reasons why rules on this subject may be needed and what they might accomplish:

Labor and Industries is required by law to establish and maintain a workers' compensation classification plan and set premium rates that maintain actuarial solvency of the accident and medical aid funds. By law, the plan must be consistent with recognized principles of insurance and rates adjusted annually or as needed to ensure solvency of the insurance trust funds. Labor and Industries is also required by law to offer retrospective rating plans to employers as a further incentive to encourage workplace safety and accident prevention.

(c) Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

No other state, local, or federal agency regulates this subject.

(d) Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe)

Premium rates for each classification are developed in part from the past loss experience of employers subject to the classification, changes in benefit levels mandated by law or court decisions, medical inflation, economic and business trends and financial markets. Labor and Industries will work with the Workers' Compensation Advisory Committee and Retrospective Rating Advisory Committee as changes are developed. The public can participate in these discussions by attending the respective advisory committee meetings. Schedules of these meetings are available on the Insurance Services section of the Labor and Industries internet site. This site can be accessed @lni.wa.gov.

(e) How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers of persons to contact; describe meetings, other exchanges of information, etc.)

Labor and Industries is tentatively planning to hold formal public hearings between October 27 – November 7 in Spokane, Yakima, Mt. Vernon, Tukwila, Tacoma, Tumwater and Vancouver. Public hearings are anticipated to begin at 10 a.m. and last until all public comments are received. Inquiries can be directed to Ken Woehl of the Classification Services section at (360) 902-4775.

NAME (TYPE OR PRINT)

Paul Trause

SIGNATURE

TITLE

**Director
Labor and Industries**

DATE

June 17, 2003

WSR # 03-13-099